

Remarks/Arguments

1. Status of the Claims:

This amendment is submitted in response to the Office Action mailed July 30, 2003. The status of the claims is as follows: Claims 1-24 stand rejected. Per this amendment, Claims 1, 8, and 18 have been amended. No claims have been cancelled or added. Applicant respectfully requests that the amendments to the claims be entered.

2. Rejection under 35 USC §103(a)

The Examiner rejected Claims 1-24 under 35 USC §103(a) as being unpatentable over U.S. Number 5,500,513 to Langhans, et al. ("Langhans '513"). Applicant respectfully traverses the rejection. Applicant respectfully submits that the Examiner has misconstrued the teachings of Langhans '513 that Langhans '513 teaches away from the presently claimed invention and that Langhans '513 does not render the presently claimed invention obvious. However, solely in order to expedite prosecution, Applicant has amended claims 1 and 8 to recite: providing the authorization code to the merchant, and in claim 18 to recite: means for providing the authorization code to the merchant. These amendments are supported, at least, in the specification at paragraph 19.

The present invention is directed to a system that secures transaction cards from fraudulent uses by establishing and using an authorization code in anticipation of a

transaction in the following manner: (i) calculating an authorization code corresponding to established respective authorization parameter data; (ii) providing the authorization code to an owner; (iii) providing the authorization code to the merchant; (iv) receiving the authorization and transaction data from a merchant at the bank where an account has been previously established, (v) calculating a confirmation code; and (vi) comparing the authorization code with the confirmation code to determine whether or not to approve the transaction.

In the present invention, an authorization code corresponding to a transaction is established and provided to the merchant (see Claims 1, 8 and 18) and the presently claimed database for processing the transaction maintains records representative of a respective transaction (see Claim 16). Langhans '513, in contrast, discloses an automated purchasing control system that makes no mention or reference to a particular transaction, and makes no reference to a merchant receiving from a card owner an authorization code corresponding to a particular transaction. Instead, Langhans' '513 specifically states that its system requires no human intervention during the purchasing process (see Langhans '513, column 2, lines 19-36), and the database in Langhans '513 does not contain transaction records corresponding to a specific transaction. Further, nothing in Langhans '513 provides any teaching, motivation or suggestion of at least the following: (i) calculating an authorization code corresponding to established respective authorization parameter data associated with a transaction to purchase an item; (ii) providing the authorization code to an owner; (iii) providing the authorization code to a merchant during a transaction; (iv) receiving the authorization

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and transaction data from a merchant at the bank where an account has been previously established; (v) calculating a confirmation code; and (vi) comparing the authorization code with the confirmation code to determine whether or not to approve the transaction. Langhans '513 only discloses an automated purchasing control system that customizes purchasing abilities according to a business' hierachal structure.

The Examiner's reference to U.S. Patent Number 6,339,766 B1 to Gephart (Gephart '766") does not cure the deficiencies of Langhans '513, because Langhans '513 specifically teaches away from the presently claimed invention.

Accordingly, Applicant respectfully submits that the rejection is moot and respectfully submits that claims 1-24 are patentable over the cited references. Furthermore, Applicant reserves the right to pursue claims including those of the scope of original claims 1-24.

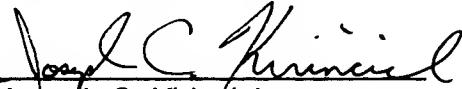
Dependent claims 1, 2-7, 9-16, and 19-24 depend directly or indirectly from the respective independent claims and are patentable over the cited references for at least the same reasons.

Based on the amendments and reasoning provided above, it is respectfully submitted that all claims are in condition for allowance. Reconsideration and an early indication of allowance are respectfully requested. If the Examiner finds reason not to

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allow all claims, then a telephone interview with the Attorney signed below is also respectfully requested.

Respectfully submitted,



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